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SECURITY INFORMATION

5 March 1953

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: SE-37 Probable Effects on the Soviet Bloc of Certain Courses of Action Directed at the Internal and External Commerce of Communist China.

1. This long estimate on a most complex subject was prepared hurriedly. Fortunately the Agencies, particularly our O/Rs have made great progress in closing gaps in our information concerning the economy of Communist China, the foreign trade of Communist China, and the transportation facilities of the Bloc. Fortunately also the Agency representatives cooperated to the utmost with each other in the preparation of the estimate; they merit praise for their labor.

2. Captain Layton's views on the foreign trade of Communist China began, at the end of our labors, to affect the views of ONI. The only significant reflection of his views is in the ONI footnote on p. 44.

3. The only other significant reservation so far is the G-2 footnote on p. 3 which represents a refusal to estimate whether the USSR would resort to war to break a blockade of Communist China.

SHERMAN KENT
Assistant Director
National Estimates

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